

CAN

August 28 1996

MEMORANDUM FOR DISTRIBUTION

SUBJECT: CIO Letter 96-10, Interim Policy For Information Technology (IT) Acquisition Oversight

The enactment of the Information Technology Management Reform Act (ITMRA), 1996 is causing many changes to the management of Information Technology (IT). These changes encompass not only the actual buying of IT resources, but also include the budget and life cycle management of these items as well as the establishment of sound IT architectures. The Act has placed more responsibility and accountability with the Chief Information Officer (CIO) in that the CIO is responsible for guaranteeing that the acquisition and management of information technology are consistent with the needs and priorities of the agency as set forth by the agency head. The increased involvement of the CIO on IT programs and resourcing has been emphasized in a report, "Effective Implementation Is Essential for Improving Federal Performance," issued by the General Accounting Office dated July 17, 1996. This report highlighted that the CIO of an organization would be responsible for ensuring that IT is being used to develop and deploy successful programs within budget, as well as incorporating standardized processes to help make this happen.

In response to the ITMRA and a need to begin revamping DoD policy and procedures for IT acquisition, the Assistant Secretary of Defense (ASD), Command, Control, Communications and Intelligence (C3I) has issued an interim policy (Attachment 1) for the processing of IT acquisitions. Permanent guidance is under development by the DoD Execution and Evaluation Working Level Integrated Process Team and will be disseminated when the DoD Capital Planning and Investment Process, which will implement the ITMRA, has been defined. Until such time, this guidance remains in effect.

As stated in the policy, there are no longer Delegations of Procurement Authority (DPAs). Instead, for competitive acquisitions over \$25 million and \$2.5 million non-competitive (sole source/specific make and model) DLA is required to submit to the Deputy Assistant Secretary of Defense (DASD), Command, Control, Communications, Intelligence and Acquisition (C3IA) an IT/National Security System (NSS) IT Acquisition Paper 45 days prior to release of the solicitation. The format for the paper is provided in Appendix (A) of the ASD policy. All DLA acquisitions requiring submission to C3IA will be submitted through Information Services (CANM) for staffing with the DLA CIO and DLA Headquarters, and for submission to DASD. The same process applies to the IT report identified in appendix (B) of the ASD policy.

In keeping with the concepts and intent of the ITMRA and OASD guidance, DLA has established policies and procedures for IT acquisitions. DLA policy letter 96-8, Information Technology Environment, prescribes a strategy for IT resources which fosters the use of common tools for building open systems that support interoperability through a common operating environment. In conjunction with this policy and providing the CIO with the oversight needed by the ITMRA, the following procedures are to be followed:

a. Requirements for joint service contracts, such as Desktop V, ULANA II, etc. that are not acquiring items for the mid-tier are to be submitted directly to your supporting contracting office. All mid-tier requirements (excluding maintenance) must be submitted to DSDC-TB for technical coordination with the appropriate DSDC offices prior to submission to DASC-CA , Consolidated Order Processing Office (COPO).

b. IT acquisitions over the currently authorized field activity thresholds will be submitted to CANM and to the appropriate business area prior to submission to DASC-CA. CANM will review the package for compliance with current DLA technical initiatives and policies, coordinate the package with the appropriate business office as needed and forward the package to DASC-CA. The CANM review is necessary to ensure the CIO is kept informed of IT initiatives throughout the Agency as part of the CIO duties and responsibilities mandated by the ITMRA.

c. All requests for use of the Defense Information Systems Agency (DISA) Defense Enterprise Integration Services (DEIS) II contracts shall be submitted to CANM, the focal point for DISA, for staffing by the CIO, unless otherwise authorized in writing by the CIO. Use of other government wide support service contracts shall be processed similar to DEIS II.

d. All Basic Agreements, which are acquisition documents, with FEDSIM shall be staffed through CANM for informational purposes and investment accountability by the CIO.

In conjunction with the ITMRA, the Federal Acquisition Streamlining Act (FASA) has revised the documentation requirements for acquisitions under and over \$500,000. For those under \$500,000, an Alternatives Analysis and Requirements Analysis are no longer required. Instead the modified format in Attachment 2 should be used. Documentation mandated by the Federal Acquisition Regulation (FAR) such as Market Surveys, Justifications for Other Than Full and Open Competition, and Independent Government Cost Estimates are still required.

Acquisitions between \$500,000 and \$1,000,000 require the Requirements Analysis and an Alternatives Analysis that demonstrates that the benefits of the acquisition exceeds the cost. For acquisitions in excess of \$1,000,000, an Alternatives Analysis must be performed in which the total estimated costs are calculated using the present value of money for each of the possible alternatives. The format that had been formerly prescribed by the Federal Information Resources Management Regulations (FIRMR) for the Requirements Analysis and Alternatives Analysis should continue to be used for acquisitions over \$500,000.

For further information, please contact Mrs. Arlene Schuchner (703) 767-2191, DSN 427-2191, or Mr. James Atkisson, (703) 767-2175, DSN 427-2175, with the DLA Customer Support Team of Information Services.

THOMAS J. KNAPP
Chief Information Officer
Defense Logistics Agency

Information Required for Acquisitions under \$500,000

1. Why hardware/software/services etc. is needed. A paragraph or less describing why the IT is needed and the program/project/AIS being supported by the IT.
2. Describe what is being acquired such as hardware or software, etc. Identify the product, model number, version number, quantity, unit cost and any other attributes for example essential physical characteristics. For support services include a Statement Of Work.
3. Delivery information: Must include the exact location and point of contact with commercial and DSN telephone numbers. Example:

Defense Logistics Agency (DLA)
8725 John J. Kingman Road
POD B Room 1246
Fort Belvoir, VA 22060
POC: Jane Doe DSN 427-1234 commercial 703-767-1234
4. Sources: Reference attached Market Survey.
5. Funding Document.
6. For sole source (only one source, specific make or model or compatibility-limited) attach appropriate Justification for Other than Full and Open Competition
7. Other: Any miscellaneous information.

Attachment